



TSPAKB

THE ASSOCIATION OF CAPITAL MARKET
INTERMEDIARY INSTITUTIONS OF TURKEY

TURKISH CAPITAL MARKETS

**ISE 25th ANNIVERSARY
CONFERENCE**

10 December 2010, Istanbul



History

- ❖ **Istanbul Stock Exchange was founded in 1985 and started operations in 1986.**
- ❖ **23 banks, 8 brokerage firms and 2 individual brokers attended the first general assembly of ISE.**
- ❖ **The number of brokerage firms increased from 8 in 1986 to 112 in 1992. The number of banks increased from 28 to 60 during this period.**
- ❖ **In 1997, banks were required to transfer their equity market operations to a brokerage firm. Banks established brokerage firms as subsidiaries.**
- ❖ **With new additions, the number of brokerage firms reached 142 in 1998.**
- ❖ **However, the market consolidated later.**



TSPAKB

Founded in April 2001 by law, as a self-regulatory organization.

The Association currently has 145 members:

- 103 brokerage firms
- 1 derivatives brokerage firm
- 41 banks

We;

- Regulate and oversee the intermediaries,
- Issue licenses to market professionals,
- Offer training programs,
- Publish a variety of research,
- Cooperate with foreign institutions



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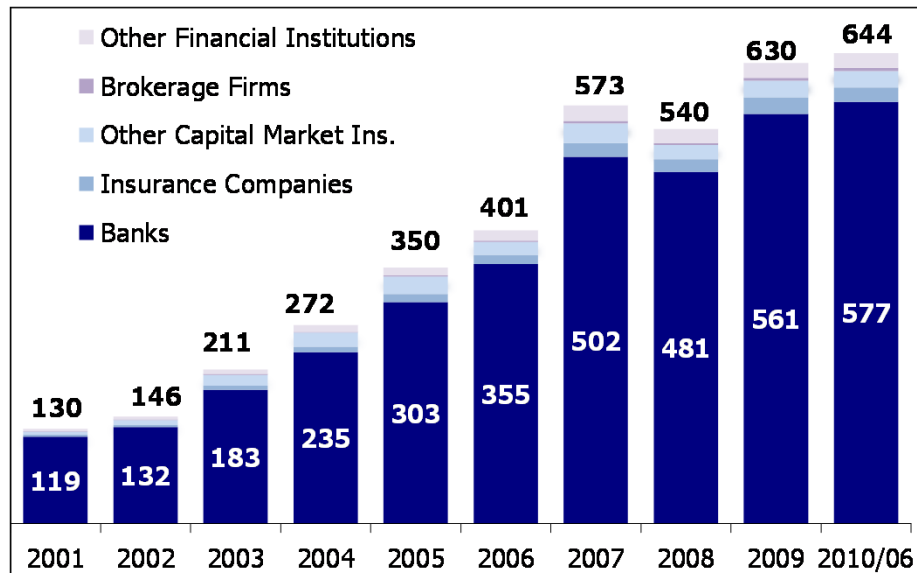
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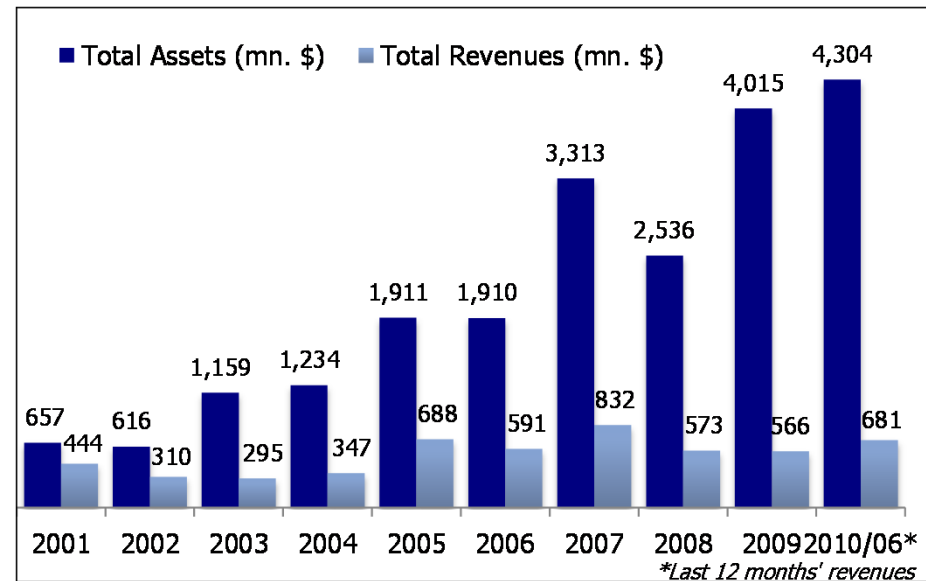
Istanbul as a Financial Center

Financial Institutions

Total Assets of Financial Institutions (bn. \$)



Brokerage Firms

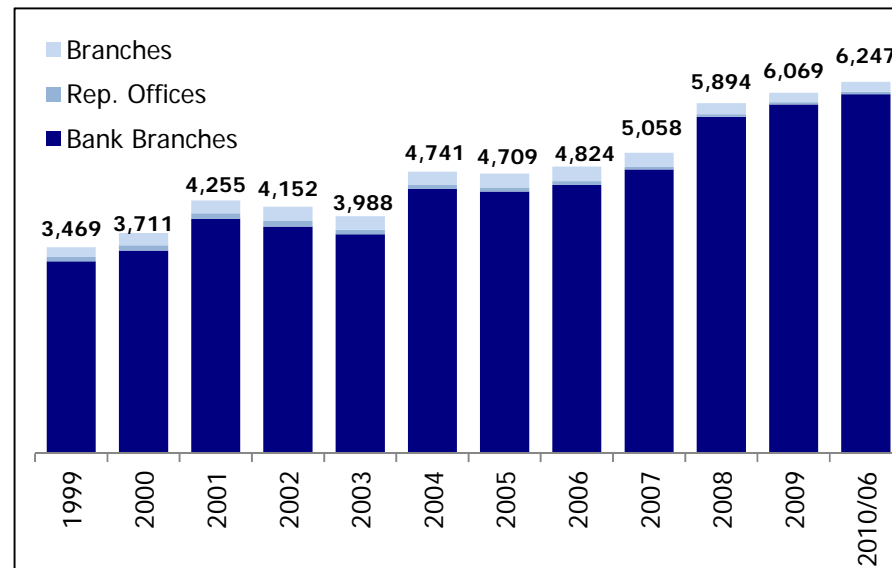
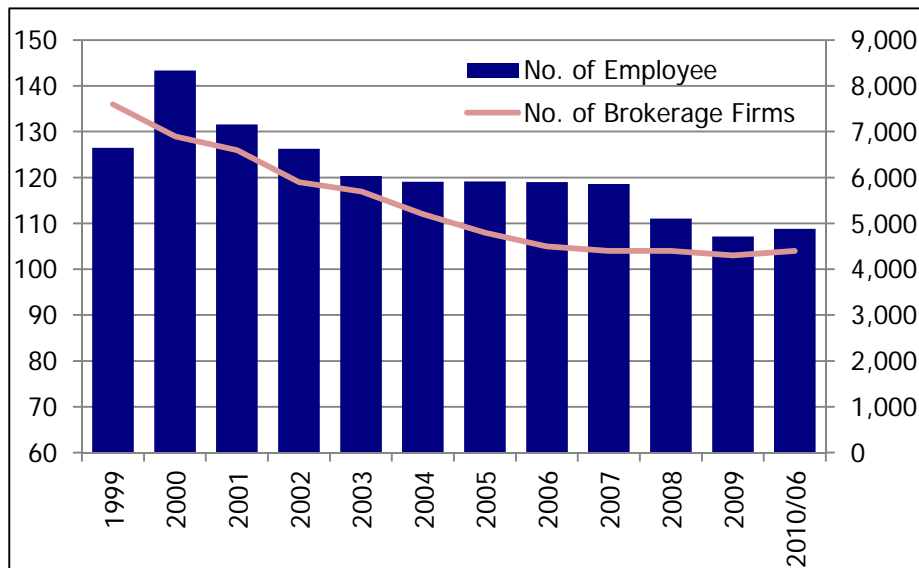


- ❖ Total assets of financial institutions rose considerably, reaching US\$ 644 billion by 1H2010.
- ❖ Banks and other financial institutions were resilient during the crisis.

- ❖ The brokerage firms' assets have also increased and reached US\$ 4.3 billion by 1H2010 from around US\$ 600 mn. after the 2001 crisis.

Brokerage Firms

Some Indicators of Brokerage Firms



- ❖ The number of brokerage firms decreased after the 2001 crisis. Currently 104 brokerage firms are in the market, compared to 136 in 1999.
- ❖ The number of employees has been decreasing. The decline accelerated with the global crisis. Brokerage firms employ around 5,000 personnel as of June 2010.

- ❖ The branch network of brokerage firms increased significantly in the last decade thanks to the rise in bank branches.
- ❖ Brokerage firms reach investors through 6,247 sales points as of June 2010.

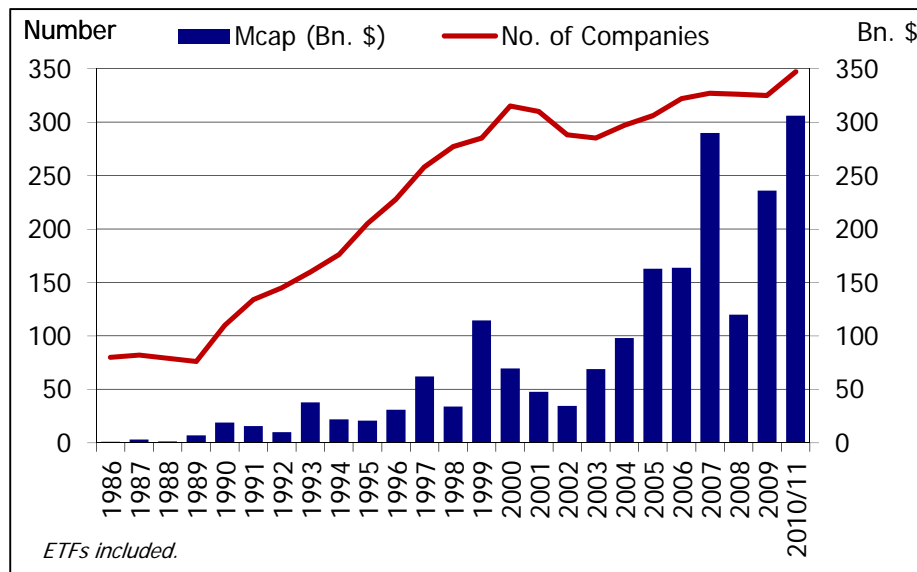


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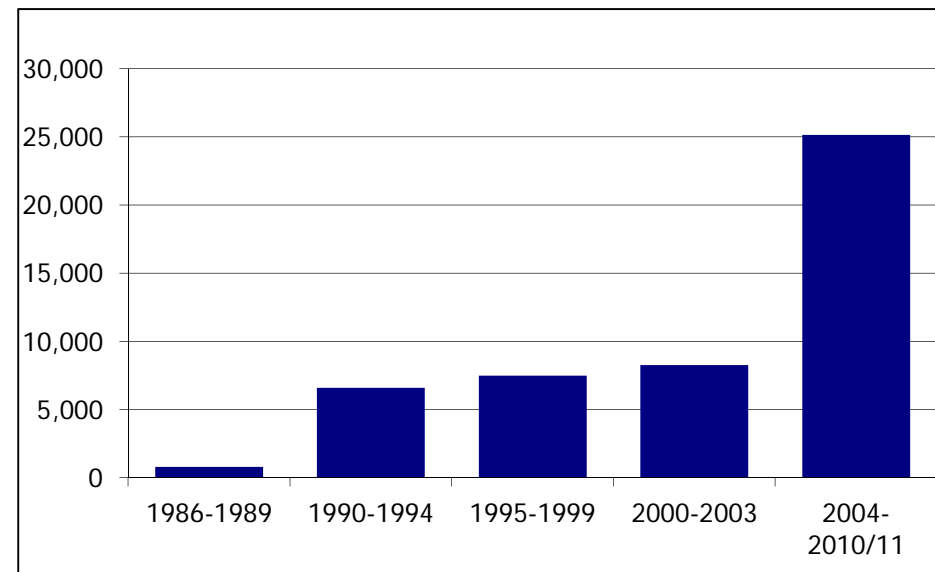
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Listed Companies & IPOs

Listed Companies/ETFs in the ISE



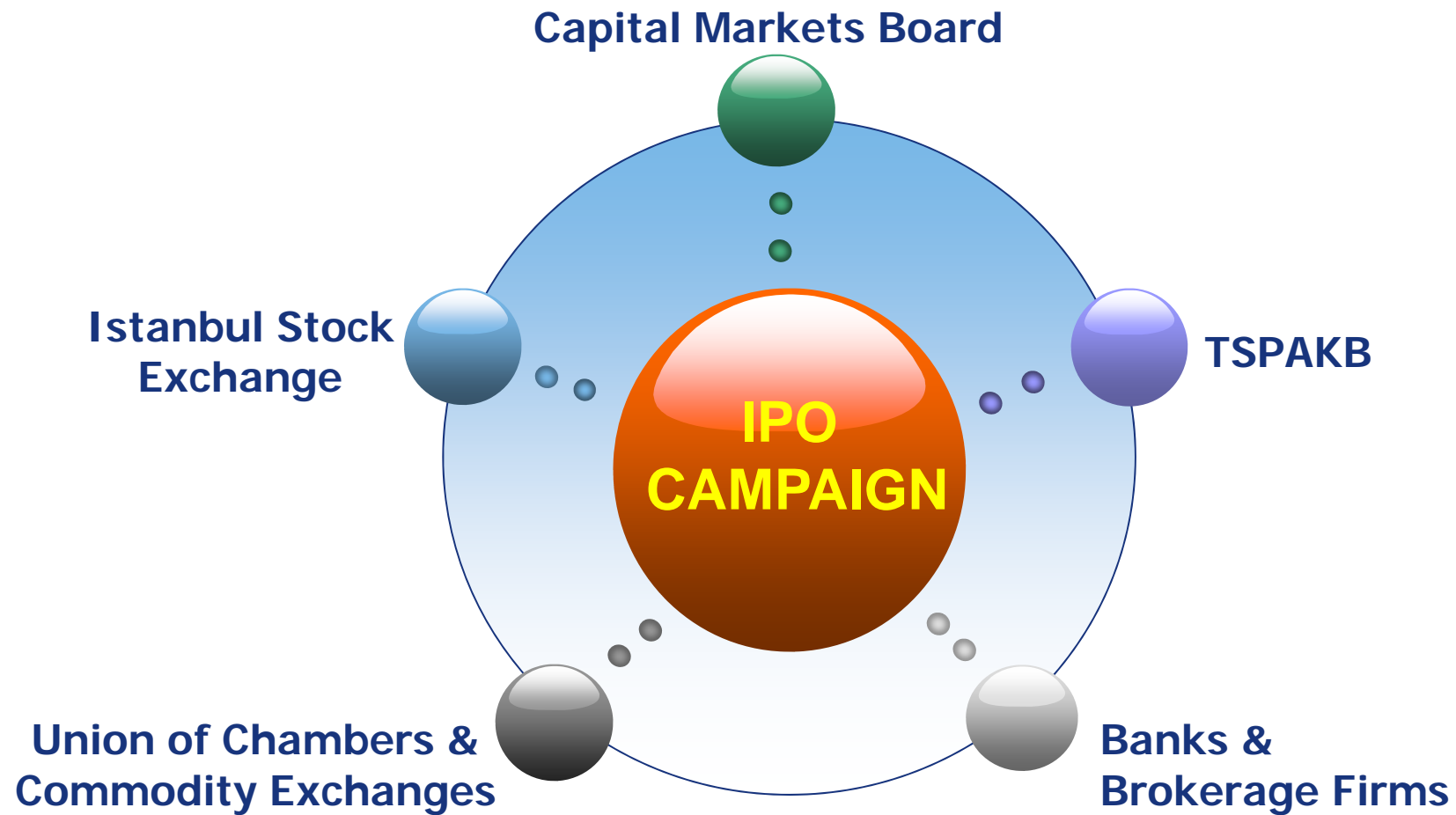
Funds Raised Through the ISE (Mn. \$)



- ❖ Number of listed companies in ISE increased considerably from 80 in 1986 to 347 in 2010.
- ❖ Total MCap reached US\$ 306 billion as of November 2010.

- ❖ Total funds raised through IPOs reached US\$ 48 billion from the beginning.
- ❖ More than half of these funds raised between 2004-2010/11. In 2010 24 IPOs raised US\$ 2.1 billion.

IPO Campaign





IPO Campaign

- ❖ The campaign started with the coordination of relevant institutions in 2009.
- ❖ Seminars are being organised in different cities every month, targeting industrial companies.
- ❖ IPO Summit organised in May 2010. More than 1,000 companies attended.
- ❖ Wide and continuous press coverage through events and PR activities.
- ❖ Capital Markets Board facilitated the IPO process and applications are processed more quickly.



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Investor Education Project

Project initiated by the Association in 2010.

A market research company analyzed the needs of investors and expectations of the public.

Qualitative Survey: Focus Groups and In-Depth interviews with;

- Current/Potential/Lost Investors
- Academics
- Journalists



Initial Findings

The public is not aware of the capital market institutions and investor protection mechanisms.

Order of investment preferences are as follows;

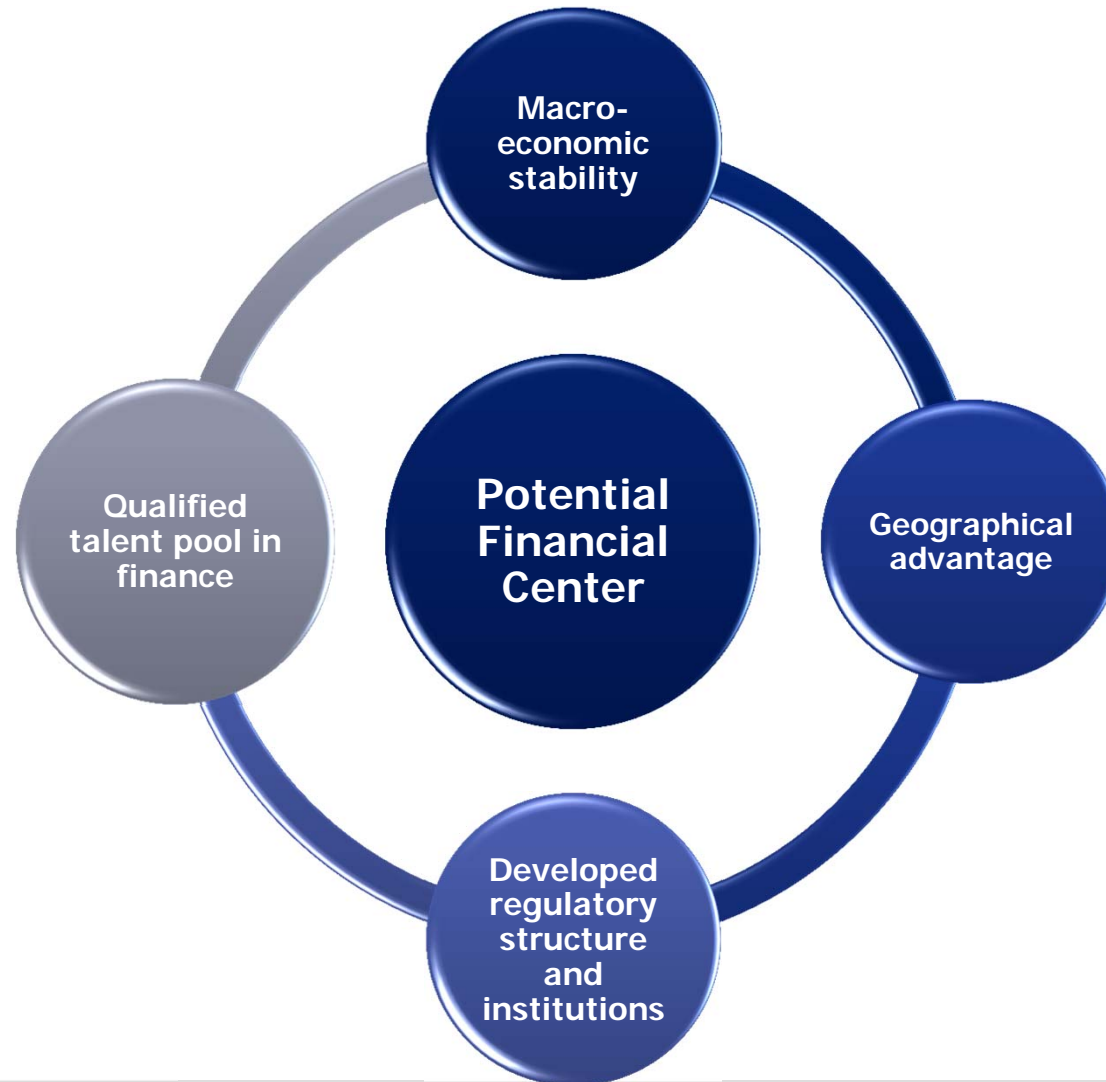
- Gold
- Real Estate
- Bank Deposits
- Foreign Currency
- Equities
- Investment Funds



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Istanbul: Strengths





Istanbul Financial Center Project

300
representatives
participated in
the project

Strategy Report
published in
October 2009

8 Working
Committees
formed in
2010

- Markets & Financial Products
- Regulation & Supervision
- Taxation
- Legal System
- Infrastructure
- Technology
- Human Resources
- Marketing & Promotion



The Future

Istanbul Financial Center

TARGET

Wider
Investor
Base

Increased
Listings

Variety of
Investment
Instruments

Effective
Regulations



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Thank You!

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